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**FIRE PROTECTION DISTRICT NO. 11  
OF THE PARISH OF ST. MARY, STATE OF LOUISIANA**

**Annual Component Unit Financial Statements  
with Independent Auditors' Report**

**and**

**Report on Compliance and Internal Control Over Financial Reporting**

**For the Year Ended September 30, 2000**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 04/04/01

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## FINANCIAL INFORMATION SECTION



INDEPENDENT AUDITORS' REPORT

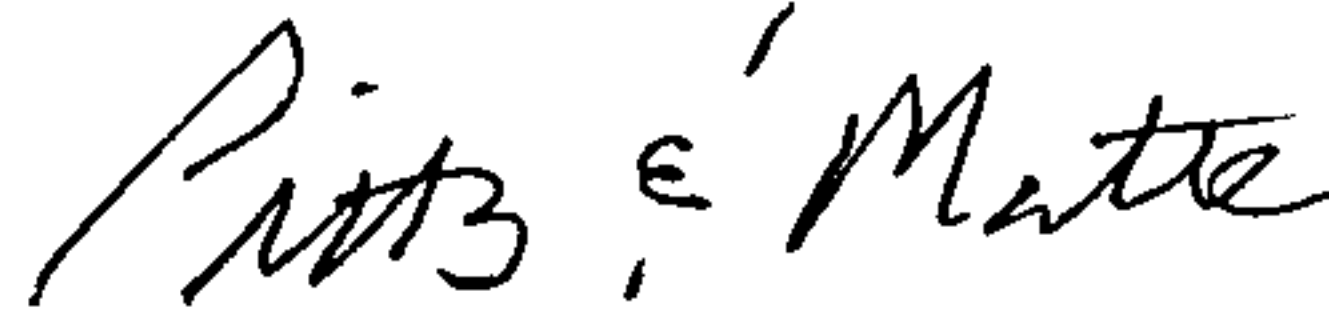
Board of Commissioners  
Fire Protection District No. 11  
of the Parish of St. Mary  
State of Louisiana  
Jeanerette, Louisiana

We have audited the accompanying general purpose financial statements of Fire Protection District No. 11, a component unit of St. Mary Parish, as of and for the year ended September 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of Fire Protection District No. 11's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Fire Protection District No. 11 as of September 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 21, 2001, on our consideration of Fire Protection District No. 11's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

A handwritten signature in cursive script, reading "Pittz & Matte".

CERTIFIED PUBLIC ACCOUNTANTS

February 21, 2001

**FIRE PROTECTION DISTRICT NO. 11  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**COMBINED BALANCE SHEET- ALL FUND TYPES AND ACCOUNT GROUPS**

**September 30, 2000**

	<u>General Fund</u>	<u>General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
<u>Assets and other debits</u>			
Cash and cash equivalents	\$97,223		\$97,223
Other assets	1,682		1,682
Property, plant, and equipment		\$861,742	861,742
	<hr/>	<hr/>	<hr/>
Total assets and other debits	\$98,905	\$861,742	\$960,647
	<hr/>	<hr/>	<hr/>
<u>Liabilities, equity, and other credits</u>			
Accounts payable and accrued expenses	\$4,226		\$4,226
	<hr/>	<hr/>	<hr/>
Total liabilities	4,226	- -	4,226
	<hr/>	<hr/>	<hr/>
<u>Equity and other credits</u>			
Investment in general fixed assets		\$719,592	719,592
Investment in general fixed assets - donations		142,150	142,150
Fund balance -unreserved, undesignated	94,679		94,679
	<hr/>	<hr/>	<hr/>
Total equity and other assets	94,679	861,742	956,421
	<hr/>	<hr/>	<hr/>
Total liabilities, equity, and other credits	\$98,905	\$861,742	\$960,647
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

**FIRE PROTECTION DISTRICT NO. 11  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES**

**ALL GOVERNMENTAL FUND TYPES**

**For the Year Ended September 30, 2000**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total (Memorandum Only)</u>
<u>Revenues</u>			
Ad valorem taxes	\$166,321		\$166,321
Allocation from St. Mary Parish	19,908		19,908
Investment earnings	4,103		4,103
Intergovernmental revenue	10,000		10,000
Miscellaneous	24		24
Total revenue	<u>200,356</u>	<u>- -</u>	<u>200,356</u>
<u>Expenditures</u>			
Current:			
Public safety	64,582		64,582
Capital outlay	39,099		39,099
Debt service		\$72,712	72,712
Total expenditures	<u>103,681</u>	<u>72,712</u>	<u>176,393</u>
Excess (deficiency) of revenue over expenditures	<u>96,675</u>	<u>(72,712)</u>	<u>23,963</u>
Other financing sources (uses)			
Transfer in		72,712	72,712
Proceeds from sale of fixed assets	1,200		1,200
Transfer out	<u>(72,712)</u>		<u>(72,712)</u>
Total other financing sources (uses)	<u>(71,512)</u>	<u>\$72,712</u>	<u>1,200</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	25,163	- -	25,163
Fund balances at beginning of period	<u>69,516</u>	<u>- -</u>	<u>69,516</u>
Fund balances at end of period	<u>\$94,679</u>	<u>- -</u>	<u>\$94,679</u>

The accompanying notes are an integral part of these financial statements.

**FIRE PROTECTION DISTRICT NO. 11  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET TO ACTUAL  
GENERAL FUND**

**For the Year Ended September 30, 2000**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b><u>Revenues</u></b>			
Ad valorem taxes	\$166,097	\$166,321	\$224
Allocation from St. Mary Parish	19,908	19,908	
Investment earnings	4,103	4,103	
Intergovernmental revenue	10,000	10,000	
Miscellaneous	24	24	
	<u>          </u>	<u>          </u>	<u>          </u>
Total revenue	<u>200,132</u>	<u>200,356</u>	<u>224</u>
<b><u>Expenditures</u></b>			
Current:			
Public safety			
Repairs and maintenance	5,664	8,023	(2,359)
Professional fees	5,990	5,985	5
Salaries and related expenses	20,269	19,764	505
Insurance	12,010	12,010	
Utilities	2,450	2,330	120
Telephone and radio	1,137	1,112	25
Gas, fuel, oil	2,470	2,364	106
Supplies	8,673	10,669	(1,996)
Training	35	35	
Other	1,786	2,290	(504)
Capital outlay	41,048	39,099	1,949
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>101,532</u>	<u>103,681</u>	<u>(2,149)</u>
Excess revenue over expenditures	98,600	96,675	(1,925)
Other financing sources (uses)			
Proceeds from sale of asset	1,200	1,200	
Transfer out	(72,712)	(72,712)	--
	<u>          </u>	<u>          </u>	<u>          </u>
Total other financing sources (uses)	<u>(71,512)</u>	<u>(71,512)</u>	<u>--</u>
Excess (deficiency) of revenues and other financing sources over expendi- tures and other financing uses	27,088	25,163	(1,925)
Fund balances at beginning of period	<u>69,516</u>	<u>69,516</u>	<u>          </u>
Fund balances at end of period	<u>\$96,604</u>	<u>\$94,679</u>	<u>(\$1,925)</u>

The accompanying notes are an integral part of these financial statements.



FIRE PROTECTION DISTRICT NO. 11  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to the Financial Statements  
September 30, 2000

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fire Protection District No. 11 of the Parish of St. Mary, State of Louisiana was created by Ordinance No. 1096 of the St. Mary Parish Council, on April 25, 1990, for the purpose of providing fire protection, medical assistance, and extrication rescue. The District encompasses all territory north of the Intracoastal Waterway in Wards one and two. The District's firefighters are volunteers of the Four Corners Volunteer Fire Department.

The financial statements of Fire Protection District No. 11 of the Parish of St. Mary have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- a.. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Fiscally dependent

Based upon the above criteria, the District is a component unit and integral part of St. Mary Parish Council (the primary government).

These financial statements include only the operations of the District.

**B. Fund Accounting**

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

The District's current operations require only the use of two funds, the general fund and the debt service fund.

### Governmental Funds

#### General Fund

The General Fund is the general operating fund of the District (special revenue fund at the Parish oversight level). It is used to account for all financial resources, except those required to be accounted for in other funds.

#### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The District has one debt service fund, which due to the timing of debt service payments had no assets or liabilities at year end.

### C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The following is a summary of how the District accounts for its major sources of revenues and expenditures:

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenues

*Ad valorem taxes (which are based on population and homesteads in the District) are recorded in the year the taxes are assessed.*

Allocations from St. Mary Parish Council are recorded when the revenue has been collected by the tax collector and the Council has allocated the funds to the District.

Revenues from grants and intergovernmental revenues are recognized when management believes all significant grant or usage requirements have been met.

Investment earnings are generally recorded when earned since they are measurable and available.

### Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on general long-term debt which is not recognized until due.

### Other Financing Sources (Uses)

Transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses).

### D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the General fund. The debt service fund did not require a budget and none was adopted. The budget is a nonappropriated budget, which is approved by the Board of Commissioners in a manner authorized by statute. Encumbrances are not recorded by the District. Budgets are amended when needed upon approval by the Board.

### E. Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include demand deposits, short-term certificates of deposit, and money market accounts.

Cash and cash equivalents including nonparticipating bank certificates of deposit, are stated at cost, unless there is significant impairment of the credit standing of the issuer.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### F. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Purchased fixed assets are valued at acquisition cost. Donated fixed assets are valued at estimated fair market value at the date of their donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

### G. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. All remaining long-term debt was paid during the year.

### H. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

### I. Memorandum Only - Total Columns

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.



## NOTE 2 - CASH AND CASH EQUIVALENTS

The District is permitted by law to invest its funds in accounts and certificates of deposit in certain banks and other financial institutions located within the state. They may also invest in certain government backed securities and certain investment pools.

At year end, the carrying amount of the District's cash and cash equivalents was \$97,223 and the bank balance was \$96,853. All of the bank balance was covered by federal depository insurance.

## NOTE 3 - TAXES

The District's property tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31 and taxes are considered delinquent January 1. Notices regarding seizures are sent out in April with the seizure date being May 1. The taxes are collected on behalf of the District by the Sheriff and then remitted to the District. The District actually receives most of the taxes in January.

## NOTE 4 - FIXED ASSETS

A summary of the General Fixed Assets at September 30, 2000 are as follows:

	<u>Balance</u> <u>9/30/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/00</u>
Equipment	\$110,139	\$13,154		\$123,293
Vehicles	617,773		\$(11,199)	606,574
Building	<u>105,930</u>	<u>25,945</u>	<u>      </u>	<u>131,875</u>
Total	<u>\$784,846</u>	<u>\$39,099</u>	<u>\$(11,199)</u>	<u>\$861,742</u>

Fixed assets include fire trucks and fire fighting equipment donated by the Four Corners Volunteer Fire Department in 1992 totaling \$142,150.

## NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the District's long-term debt account group:

Bonds payable September 30, 1999	\$70,000
Retirements	<u>(70,000)</u>
Bonds payable September 30, 2000	<u>\$    --</u>

#### NOTE 6 - PENSION PLAN

The District's employees are covered under the Federal Insurance Contributions Act (Social Security). The District makes the required contributions to the fund and is not responsible for the benefits.

#### NOTE 7 - LEASES

The District has no material long-term noncancelable lease commitments at September 30, 2000.

#### NOTE 8 - COMPENSATION PAID COMMISSIONERS

The commissioners received the following per diems for the year ended September 30, 2000:

<u>Name</u>	<u>Amount</u>
James Bodin	\$ 300
Merker Broussard	360
Anthony Jordon	330
Marcel Marquette	210
Peterson Matthews	<u>300</u>
	<u>\$1,500</u>

#### NOTE 9 - RELATED PARTIES

The Four Corners Volunteer Fire Department provides volunteer firefighters for Fire Protection District No. 11.

The District is also a related party of the St. Mary Parish Council, the primary government. See Note 1 for further explanation of this relationship. The Council allocated approximately \$20,000 in funds to the District during the year ended September 30, 2000.

The District reimbursed the District's Fire Chief approximately \$4800 for expenditures incurred in behalf of the District. Included in these reimbursements was approximately \$1700 for items purchased from a store owned by the Fire Chief.

#### NOTE 10 - CONCENTRATIONS

The majority of the District's revenues come from property tax revenue. The property taxes collected during 2000 accounted for approximately 83% of total operating revenue.

**NOTE 11 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft, or damage to assets, errors and omissions, injuries to employees and natural disasters. The District has purchased commercial insurance to protect against loss from substantially all of these perils.

There were no significant reductions in insurance coverages from prior years.

## COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING





**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Fire Protection District No. 11  
of the Parish of St. Mary  
State of Louisiana  
Jeanerette, Louisiana

We have audited the general purpose financial statements of Fire Protection District No. 11, a component unit of St. Mary Parish, as of and for the year ended September 30, 2000, and have issued our report thereon dated February 21, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Fire Protection District No. 11's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

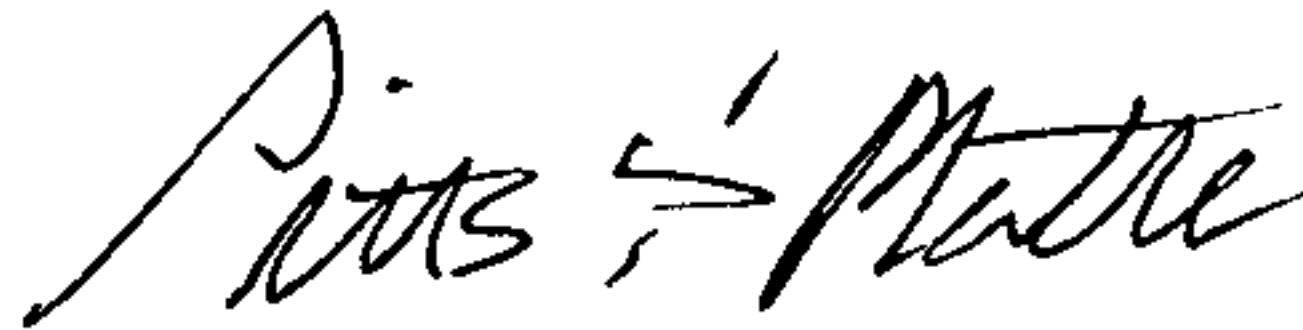
We noted one immaterial instance of noncompliance that we have reported to management of Fire Protection District No. 11, in a separate management letter dated February 21, 2001.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Fire Protection District No. 11's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment could adversely affect Fire Protection District No. 11's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. This item is discussed in the accompanying material weaknesses section of this report as item No. 2000-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition mentioned above to be a material weakness.

This report is intended for the information of the management of the District, the Legislative Auditor of the State of Louisiana, and the finance committee of the St. Mary Parish Council. However, this report is a matter of public record and its distribution is not limited.



CERTIFIED PUBLIC ACCOUNTANTS

February 21, 2001

FIRE PROTECTION NO. 11  
OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA  
Schedule of Findings, Questioned Costs and Federal Awards  
For the Year Ended September 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of the Fire Protection District No. 11 of the Parish of St. Mary, State of Louisiana (District).
2. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

There was one reportable condition in internal control over financial reporting noted during the audit of the financial statements. This condition is reported as a material weakness.

Compliance

There were no material instances of noncompliance noted during the audit of the financial statements.

3. Federal Awards

This section is not applicable for the year ended September 30, 2000.

4. A management letter was issued to the District dated December 13, 2000.

## B. FINDINGS - FINANCIAL STATEMENT AUDIT

### MATERIAL WEAKNESS

#### Segregation of Duties

ITEM NO. 2000-1

#### Segregation of Duties

#### Auditors' Comments

Condition: While performing audit tests and inquiring about internal control, we discovered that there is very little segregation of duties within the District's accounting function.

Criteria: Ordinarily, the accounting duties performed in an organization are segregated to reduce possible errors or irregularities that could occur in the accounting records and not be detected.

Effect: Lack of segregation of duties results in a material weakness in internal accounting controls.

Cause: The District has limited personnel.

#### Management's Comments:

Our board has discussed this matter and we feel that any improvement in controls gained by hiring additional personnel would be outweighed by the costs associated with the additional personnel.

## C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

This section is not applicable for the year ended September 30, 2000.

# PITTS & MATTE

a corporation of  
certified public accountants

## MANAGEMENT LETTER



Board of Commissioners  
Fire Protection District No. 11  
of the Parish of St. Mary  
State of Louisiana  
Jeanerette, Louisiana

During our audit of the Fire Protection District No. 11, we noted an instance of noncompliance with state law that was not material to the financial statements of the District. However, we believe this instance of noncompliance should be reported to the Board of Commissioners for future action. Our finding is as follows:

Finding: 2000-A

### *Prohibited transactions under Code of Ethics for Public Officials and Public Employees*

While performing audit tests of cash disbursements, we found that the District's Fire Chief is periodically reimbursed for expenditures made in behalf of the District. Our disbursements test sample included two reimbursements made to the Fire Chief totaling \$606, included in these reimbursements was one for expenditures in the amount of \$140 for supplies purchased from a store owned by the Fire Chief. We then examined all the expense reimbursements made to the Fire Chief during the year. We found a total of \$1723 was reimbursed to the Fire Chief for items purchased from his store.

Louisiana revised statutes 42:1112 generally prohibits public servants (the Fire Chief) from participating in transactions involving the governmental entity. Reimbursements by the District to the Fire Chief for purchases from a store owned by the Fire Chief appears to be in violation of this statute.

We recommend that you immediately stop making reimbursements for purchases from the store owned by your Fire Chief.

This management letter is intended for the information of the management of the District, the Legislative Auditor of the State of Louisiana, and the finance committee of the St. Mary Parish Council. However, this report is a matter of public record and its distributions is not limited.

CERTIFIED PUBLIC ACCOUNTANTS

February 21, 2001



SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION  
PREPARED BY ST. MARY PARISH FIRE PROTECTION DISTRICT NO. 11

Material Weakness

Item No. 99-1

Segregation of Duties

Condition: While performing audit tests and inquiring about internal control, our auditors discovered that there is very little segregation of duties with the District's accounting functions.

Corrective Action: After discussion of this matter, our board feels that any improvement in controls gained by hiring additional personnel would be outweighed by the costs associated with the additional personnel.

# **Four Corners Volunteer Fire Department**

**Fire Protection District No. 11  
1205 BIG FOUR CORNERS ROAD  
JEANERETTE, LA. 70544**

March 2, 2001

Dr. Dan G. Kyle  
Office of Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The St. Mary Parish Fire Protection District No. 11 respectfully submits the following corrective action plan for their year ended September 30, 2000.

## **CORRECTIVE ACTION:**

Person Responsible: Marcel Marquette  
St. Mary Parish Fire Protection District No. 11  
886 Highway 318  
Jeanerette, LA 70544

Time for completion: March 2, 2001

## **ITEM OF INTERNAL CONTROL: RE: Item 2000-1**

Segregation of Duties: While performing audit tests and inquiring about internal control, our auditors discovered that there is very little segregation of duties within the District's accounting system.

Corrective Action: Our board has discussed this matter and we feel that any improvements in controls gained by hiring additional personnel would be outweighed by the costs associated with the additional personnel.

## MANAGEMENT LETTER FINDINGS 2000-A

### *Prohibited Transactions under Code of Ethics for Public Officials and Public Employees*

While performing audit tests our auditors discovered that the District reimbursed our Fire Chief for certain purchases made in behalf of the District that were purchased from a store owned by the Fire Chief.

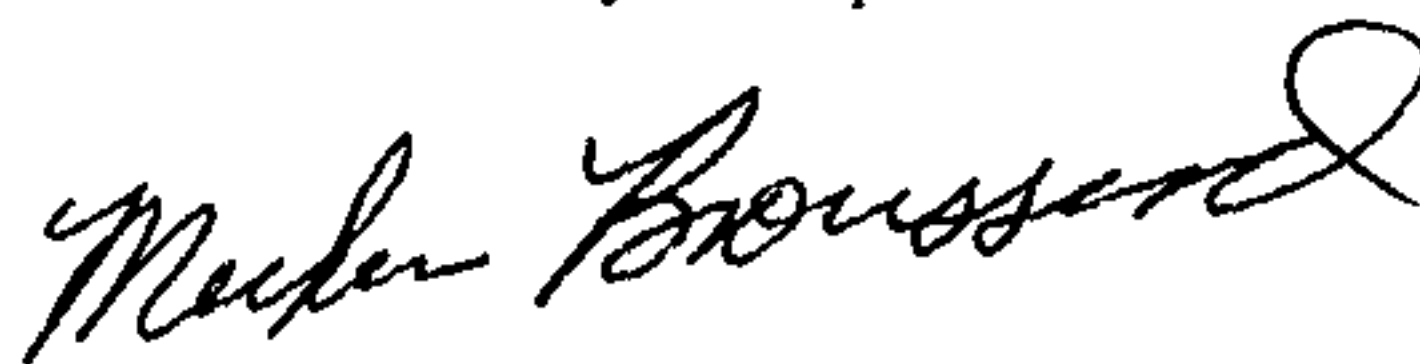
Corrective Action: We will stop reimbursing our Fire Chief for items purchased from his store effective today.

We are located in a sparsely populated remote area of our parish. Because of this it is a significant distance from the area we serve to stores in other towns, especially those that are open late at night.

Much of our work, meeting, training and fire fighting occurs outside normal business hours, because of this it is often a hardship for us to travel great distances to get last minute supplies.

Therefore we plan to seek an opinion from the appropriate authorities to determine if it would be permissible to acquire supplies in hardship cases from the Fire Chief's store.

Until we obtain such clearance we will not make any such purchases or reimbursements related to his store.



Merker Broussard  
Chairman